

The annual expenses of the cable, as defined in section 3 (2) of the Pacific Cable Act, 1901, so far as they were not met out of the receipts arising in connection with the cable, amounted in the year ended 31st March, 1909, to £60,887 9s. 10d. ; and a sum of £43,974 5s. 11d., representing thirteen-eightieths of the net expenditure, is therefore recoverable from the contributing Governments, viz. :—

	£	s.	d.
Australia (six-eightieths)	20,295	16	7
Canada (five-eightieths)	16,913	3	10
New Zealand (two-eightieths)	6,765	5	6
	£43,974	5	11

I beg to submit that the accompanying account, which has been duly certified, be presented to Parliament in compliance with section 7 of the Pacific Cable Act, 1901.

The Secretary to the Treasury, London.

I have, &c.,

G. H. HUNT, Auditor.

Sub-enclosure to Sub-enclosure 2 to Enclosure in No. 1.

The CHAIRMAN, Pacific Cable Board, London, to the SECRETARY TO THE TREASURY, London.

The Pacific Cable Board, Queen Anne's Chambers, Tothill Street,
Westminster, London, 30th July, 1909.

SIR,—

I have the honour, on behalf of the Pacific Cable Board, to submit, in the form hitherto adopted, the following accounts :—

(I.) The sum issued out of the Consolidated Fund, and the expenditure of the Board on Capital Account.

(II.) The money borrowed and the securities created.

(III.) The aggregate amount of capital expenditure up to the 31st March, 1909.

(IV.) The expenses of the cable in the year ending 31st March, 1909.

(V.) The account of the Provident Fund, and

(VI.) The account of the Reserve and General Renewal Fund.

2. The results of the year's working are set forth in the following statement :—

	<i>Receipts.</i>			£	s.	d.
Traffic receipts	114,825	15	1			
Less Atlantic companies' charge for conveying date and time, and for delivering duplicate copies in London and other large centres in United Kingdom	3,763	13	8			
				111,062	1	5
Interest on deposits				61	8	0
Received for survey services rendered by H.M.C.S. " Iris "				1,339	16	10
Refund tolls and dues				629	17	4
				£113,093	3	7
	<i>Expenditure.</i>					
Head Office (salaries and expenses, canvassing, engineers' fees, and royalties, and cost of remitting money Home)				5,956	0	11
Cable stations (salaries and expenses)				40,738	15	9
Ship's salaries and expenses				17,164	3	2
Provident Fund				1,576	15	7
Renewal Account				31,000	0	0
Excess of receipts over expenditure				16,657	8	2
				£113,093	3	7

3. The sum of £16,657 was thus available for reduction of the amount (£77,544) contributed annually for interest and sinking fund on the capital advanced by the National Debt Commissioners. The amount payable by the Government associated in the enterprise is thus £60,888, as against the sum of £62,362 payable by them for the previous year.

As compared with the contribution made by the Board towards the Redemption Fund in 1908, this amount shows an increase of £1,474.

4. The receipts during the past year exceeded the receipts of the previous year by £2,933. Miscellaneous receipts during the past year amounted to £2,031, whereas during the previous year miscellaneous receipts amounted to £522 only. The actual increase on account of traffic is thus reduced to £1,425. The universal trade depression of last year affected the traffic receipts more seriously in the earlier than it did during the latter part of the year.

5. The year's expenditure shows an increase of £1,458. This is entirely due to the normal increase under the incremental scheme of salaries, and to the fact that within the past year practically all of the staff engaged by the Board at the outset for service abroad became entitled to " long leave," and the cost of return passages to their domicile.

6. The maximum salaries have now in a great number of cases been attained, and it is probable that for some years the cost of officers proceeding on leave will be less than the cost incurred on this account during the past year.

7. The forecast of the Board's revenue contained in the annual account for the year ending 31st March, 1909, was exceeded by £5,093, while the actual expenditure was £3,586 below the estimate.